

**WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT,
LOW-INCOME HOUSING PROPERTY OF LIMITED PARTNERSHIP**

WEBSTER J. GUILLORY
 ORANGE COUNTY ASSESSOR
 630 N. BROADWAY #142
 P.O. BOX 628
 SANTA ANA, CALIFORNIA 92702-0628
 TELEPHONE (714) 834-2779



This affidavit is required under the provisions of sections 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code. This affidavit supplements the claim for welfare exemption and must be filed with the county assessor by February 15 to avoid a late filing penalty under section 270. If you do not complete and file this form, you may be denied the exemption.

As a prerequisite to being granted the welfare exemption for low-income housing property, the managing general partner of the limited partnership must qualify for an *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption* (BOE-277-OCC) (Hereinafter referred to as "OCC") from the State Board of Equalization (Board). The limited partnership must also qualify for a *Supplemental Clearance Certificate for Limited Partnership for Low-Income Housing Property – Welfare Exemption* (BOE-277-SCC) (hereinafter referred to as "SCC") for the property.

ORGANIZATIONAL CLEARANCE CERTIFICATE AND SUPPLEMENTAL CLEARANCE CERTIFICATE INFORMATION

Please check one:

- ☐ Managing general partner of the limited partnership has an OCC and the limited partnership has an SCC for this property. Board-issued OCC No. for the managing general partner is _____. Board-issued SCC No. for this limited partnership property is _____.
Please attach a copy of the SCC with this affidavit.
- ☐ Managing general partner of the limited partnership has an OCC but the limited partnership does not have an SCC for this property. An application is pending with the Board. Board-issued OCC No. for the managing general partner is _____.
- ☐ Managing general partner of the limited partnership does not have an OCC and the limited partnership does not have an SCC on this property. Applications are pending with the Board.

THIS CLAIM IS FILED FOR FISCAL YEAR ____–____.

SECTION 1. Name of Limited Partnership and Property Information

- A. Name of the limited partnership that owns the property _____
- B. Property location _____
(give complete situs address, including zip code)
- C. County in which property is located _____
- D. Date property was acquired by limited partnership _____
(give complete date)

SECTION 2. Managing General Partner of Limited Partnership

- A. Name of managing general partner _____
- B. Corporate Identification or Limited Liability Company Number _____
- C. Mailing Address _____
(give complete address including zip code)
- D. Date admitted to the limited partnership as the managing general partner _____
(give complete date)

SECTION 3. Managing General Partner Designation – *The general partners of the limited partnership, including the managing general partner, certify that (check all applicable boxes):*

- A. ☐ Limited partnership agreement expressly designates the nonprofit organization as the managing general partner.
- B. ☐ Managing general partner is authorized to receive a partnership management fee or similar form of compensation payable in the amount and manner set forth in the limited partnership agreement or other agreement executed by all of the general partners.
- C. ☐ Managing general partner has material participation in the control, management and direction of the limited partnership's business (*see Section 5*).
- D. ☐ Officers and directors of the for-profit general partners, for-profit limited partners, or any of its for-profit affiliates, do not, as individuals or collectively, have a controlling vote or majority interest in the managing general partner.

SECTION 4. Material Participation – The person making this claim certifies that as of the fiscal year for which this claim is made, the managing general partner is a general partner that has “material participation,” as defined in Rule 140.1, subdivision (a)(7), in the control, management, and direction of the limited partnership’s business, as set forth below *(please check if applicable)*:

- ☐ The managing general partner is a general partner that has “material participation” in the control, management, and direction of the limited partnership’s business, in that the managing general partner has a right to vote in all the major decisions, including any actions which require a vote of a majority in interest of the general partners; performs substantial management duties (at least 5 of the 12 duties listed in Section 5); directly or indirectly, under its supervision, manages the limited partnership; annually conducts a physical inspection of the low-income housing property to ensure that the property is being used as low-income housing and meets all the requirements of the welfare exemption for low-income housing properties; annually submits a certification to the county assessor of the county in which the property is located that the low-income housing property meet all welfare exemption requirements for low-income housing properties.

SECTION 5. Substantial Management Duties – The person making this claim certifies that as of the fiscal year for which this claim is made, the managing general partner is a general partner with “substantial management duties” as defined in Rule 140.1, subdivision (a)(10); specifically, the managing general partner actually performs at least 5 of 12 partnership management duties below, on behalf of the limited partnership *(please check all applicable boxes)*.

- ☐ Managing general partner rents, maintains and repairs the low-income housing property, or if such duties are delegated to a property management agent, participates in hiring and overseeing the work of the property management agent.
- ☐ Managing general partner participates in hiring and overseeing the work of all persons necessary to provide services for the management and operation of the limited partnership business.
- ☐ Managing general partner executes and enforces all contracts executed by the limited partnership.
- ☐ Managing general partner executes and delivers all partnership documents on behalf of the limited partnership.
- ☐ Managing general partner prepares or causes to be prepared all reports to be provided to the partners or lenders on a monthly, quarterly, or annual basis consistent with the requirements of the limited partnership agreement.
- ☐ Managing general partner coordinates all present and future development, construction, or rehabilitation of low-income housing property that is the subject of the limited partnership agreement.
- ☐ Managing general partner monitors compliance with all government regulations and files or supervises the filing of all required documents with government agencies.
- ☐ Managing general partner acquires, holds, assigns or disposes of property or any interest in property.
- ☐ Managing general partner borrows money on behalf of the limited partnership, encumbers limited partnership assets, places title in the name of the nominee to obtain financing, prepays in whole or in part, refinances, increases, modifies or extends any obligation.
- ☐ Managing general partner pays organizational expenses incurred in the creation of the partnership and all operational expenses.
- ☐ Managing general partner determines the amount and timing of distributions to partners and establishes and maintains all required reserves.
- ☐ Managing general partner ensures that charitable services or benefits, such as vocational training, education programs, childcare and after-school programs, cultural activities, family counseling, transportation, meals, and linkages to health and/or social services are provided or information regarding charitable services or benefits are made available to the low-income housing tenants.

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SECTION 6. Delegation of Authority

A. The person making this claim certifies that the limited partnership agreement *(please check applicable box)*:

- ☐ Contains a delegation of authority clause.
- ☐ Does not contain a delegation of authority clause.

B. If the limited partnership agreement contains a delegation of authority clause, such clause provides that:

- i. The managing general partner may not delegate any of its partnership management duties as defined in Rule 140.1, subdivision (a)(10) and identified in Section 5. ☐ Yes ☐ No
- ii. The managing general partner may delegate its partnership management duties, as identified in Section 5, to persons who under its supervision, may perform such duties for the partnership subject to the supervision by the managing general partner. ☐ Yes ☐ No


C. The managing general partner has delegated some or all of its partnership management duties identified in Section 5. ☐ Yes ☐ No

If yes, please list each duty delegated, the date delegated, and the person or entity performing such duty (attach additional pages if necessary):

CERTIFICATION

I certify under penalty of perjury under the laws of the State of California that the foregoing and all information contained herein, including any accompanying statements or documents, is true, correct, and complete to the best of my knowledge.

NAME AND TITLE OF PERSON MAKING AFFIDAVIT *(please print)*

SIGNATURE OF PERSON MAKING AFFIDAVIT	TELEPHONE NUMBER	E-MAIL	DATE
			

THIS FORM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION
Claims for the welfare exemption, organizational clearance certificates and supplemental clearance certificates, and all supporting documents are subject to audit by the Board of Equalization and by the County Assessor.

INSTRUCTIONS FOR FILING WELFARE EXEMPTION SUPPLEMENTAL AFFIDAVIT LOW-INCOME HOUSING PROPERTY OF LIMITED PARTNERSHIP

Revenue and Taxation Code, § 214(g)
California Code of Regulations, Title 18, §§ 140, 140.1 and 140.2

FILING OF AFFIDAVIT

This affidavit is required under the provisions of section 214(g), 214.15, 251, and 254.5 of the Revenue and Taxation Code. This affidavit supplements the claim for welfare exemption and must be filed with the county assessor by February 15 to avoid a late filing penalty under section 270. If you do not complete and file this form, you may be denied exemption.

As a prerequisite to being granted the welfare exemption for low-income housing property owned by a limited partnership, the managing general partner of the limited partnership must qualify for an *Organizational Clearance Certificate for Welfare or Veterans' Organization Exemption* (BOE-277-OCC) (hereinafter referred to as "OCC") from the State Board of Equalization (Board). The limited partnership must also qualify for a *Supplemental Clearance Certificate for Limited Partnership for Low-Income Housing Property – Welfare Exemption* (BOE-277-SCC) (hereinafter referred to as "SCC") on property. If the managing general partner holds an OCC, identify the certificate number or indicate whether or not an application is pending with the Board. If the limited partnership holds a SCC for the low-income housing property, identify the certificate number or indicate whether or not an application is pending with the Board. For additional information regarding the requirements, see Property Tax Rules 140, 140.1, and 140.2, available on the Board's website at www.boe.ca.gov.

FISCAL YEAR

The fiscal year for which the limited partnership is seeking exemption must be stated.

SECTION 1. Name of Limited Partnership and Property Information. Identify the name of the limited partnership that owns the low-income housing property, location of the low-income property, county in which the property is located, and date the property was acquired by the limited partnership.

SECTION 2. Managing General Partner of the Limited Partnership. Identify the name of the managing general partner, corporate identification number of limited liability company number, mailing address of the managing general partner, and the date the managing general partner was admitted to the limited partnership.

SECTION 3. Managing General Partner Designation. Check all applicable boxes. See Rule 140.1, subdivision (a)(6), which provides the definition of "managing general partner" of a limited partnership under Revenue and Taxation Code section 214(g).

SECTION 4. MATERIAL PARTICIPATION. A limited partnership, in which the managing general partner is an eligible nonprofit corporation or a limited liability company, may qualify for exemption for a particular property provided that the limited partnership agreement, or other agreement executed by all of the general partners, provides that the managing general partner is a general partner that has "material participation" in the control, management, and direction of the limited partnership's business. *Check if applicable [see Rule 140.1, subdivision (a)(7)].*

SECTION 5. Substantial Management Duties. A limited partnership in which the managing general partner is an eligible nonprofit corporation or limited liability company, may qualify for exemption for a particular property provided that the limited partnership agreement, or other agreement executed by all of the general partners, provides that the managing general partner is a general partner with "substantial management duties" *[see Rule 140.1, subdivision (a)(10)]*. Check only the boxes for partnership management duties actually performed by the managing general partner. Check all applicable boxes.

SECTION 6. Delegation of Authority. If the limited partnership agreement contains a delegation of authority clause, it may provide either that: (1) the managing general partner may not delegate any of its partnership management duties; or (2) the managing general partner may delegate some or all of its partnership management duties to persons who, under its supervision, may perform such duties on behalf of the limited partnership *[see Rule 140.12, subdivision (d)]*. If the managing general partner is authorized to delegate its partnership duties and elects to delegate one or more of its duties, the managing general partner must demonstrate that it is actually supervising the performance of the delegated duties. If the agreement contains a delegation of authority clause and states that the managing general partner may delegate its partnership management duties, list each duty delegated, the date each duty was delegated, and person performing such duty.

RECORDS AND DOCUMENTS MUST BE MAINTAINED BY THE MANAGING GENERAL PARTNER

A copy of the claim form and supporting documents should be retained by the managing general partner. The managing general partner must maintain records and documents evidencing the partnership management duties performed by the managing general partner. Such records and documents may include, but are not limited to: accounting books and records; tax returns; budgets and financial reports; reports required by lenders; documents related to the construction or rehabilitation of real property; legal documents such as contracts, deeds, notes, leases, and deeds of trust; documents related to complying with government regulations and filings; documents related to property inspections; documents related to property inspections; documents related to charitable services or benefits provided or the information provided regarding such services or benefits; reports prepared for the partners; bank account records; audited annual financial statement of the limited partnership; and property management agreement.